

PROPOSED RESOLUTION

Resolution W-5011
DWA

AGENDA ID #: 13528 (Rev. 2)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION W-5011
January 15, 2015

RESOLUTION

(RES. W-5011) POINT ARENA WATER WORKS, INC. ORDER AUTHORIZING A MONTHLY CUSTOMER SURCHARGE IN THE AMOUNT OF \$4.82 OVER A PERIOD OF 48-MONTHS TO AMORTIZE \$43,514 IN EXPENSES ASSOCIATED WITH WATER RIGHTS APPLICATION 25442 RECORDED IN WATER RIGHTS MEMORANDUM ACCOUNT. ORDER ALSO MODIFIES THE WATER RIGHTS MEMORANDUM ACCOUNT FEE FOR NEW SERVICE CONNECTIONS SET BY RES. W-4683.

SUMMARY

By Advice Letter 70, filed on January 2, 2014, Point Arena Water Works, Inc. requests Commission authority to implement a monthly customer surcharge in the amount of \$5.92 over a 48-month period to amortize \$53,383 from its Water Rights Memorandum Account for expenses incurred during 2007 through 2013 for its Petition for Extension of Time of water rights permit 17016 by Water Application 25442 with the State Water Resources Control Board.

By Advice Letter 70 Point Arena Water Works, Inc. also requests Commission authority to increase its Water Rights Memorandum Account fee set by Resolution W-4683 for new service connections from \$333 to \$3,900 and to have the adjusted fee in place for five years or until the company's next General Rate Case.

This Resolution finds it reasonable to allow Point Arena Water Works, Inc. to amortize \$43,514 from its Water Rights Memorandum Account for the environmental and consulting expenses incurred during 2007 through 2013 for Water Application 25442 with the State Water Resources Control Board and to implement a customer monthly surcharge in the amount of \$4.82 over 48-months to recover the amortized amount.

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This Resolution also establishes an adjustment to the Water Rights Memorandum Account fee by meter size, in the same manner facilities fees are currently set for new service connections, and sets the starting fee at \$2,500 for a 5/8 x 3/4-inch meter size. The recommended Water Rights Memorandum Account fees by meter size are shown in Appendix A of this resolution.

BACKGROUND

Point Arena Water Works, Inc. (PAWW) is a Class D water utility¹ with 188 service connections in the City of Point Arena and vicinity and the Whiskey Shoals subdivisions 1, 2, and 3 in Mendocino County. PAWW's last General Rate Case (GRC) was approved on June 21, 2011 by Resolution (Res.) W-4922 for Test Year 2011 which authorized an increase in annual revenues of \$37,414 or 15.86% from previously established rates.

PAWW owns and operates two separate water distribution systems. PAWW's primary water distribution system serves the City of Point Arena and the source of supply is from two water wells located near the Garcia River. Well No. 1 is located approximately 350 feet south of the Garcia River and is currently used as a stand-by well due to the level of iron and manganese in the water supply. Well No. 2 is located 250 feet from well No. 1 and has a water supply capacity of approximately 160 gallons per minute (gpm) and is currently the primary source of water supply. The water from this source is pumped to a 125,000 gallon storage tank for chlorination and then to the main storage tank with a capacity of 285,000 gallons and then pumped to an additional 125,000 gallon storage tank to serve zone 1, Point Arena's downtown area and Arena Cove and zone 2, the entire uptown area and the east side of Point Arena where the industrial park is located.

PAWW's second water distribution system serves the Whiskey Shoals area located two miles south of Point Arena on the west side of Highway 1. This water distribution system has three wells and one 22,000 gallon tank. Well No. 1, however, is no longer producing water, and well No. 2's production has diminished to three gpm, so the main source of supply is from well No. 3 with a source capacity of approximately 50 gpm.

1. Class D water utilities have less than 500 service connections.

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On March 29, 2006, PAWW filed a Petition for Extension of Time (PET) for continuing its rights to 100 Acre Feet (AF) under Water Application (WA) 25442 and an additional 50 AF under WA 30892² with the State Water Resources Control Board (SWRCB). WA 25442 would permit PAWW to extend its existing water rights, under water rights permit 17016, to divert 100 AF annually from the Garcia River for 33 years. WA 30892 would permit PAWW to divert an additional 50 AF from the Garcia River. In Res. W-4660 the Commission authorized PAWW to establish a Water Rights Memorandum Account (WRMA) to record expenses associated with WA 25442 and WA 30892.

By Advice Letter (AL) 70 PAWW requests Commission authority to amortize \$53,383³ from its WRMA for expenses incurred for WA 25442 with the SWRCB. PAWW proposes to amortize the \$53,383 over 48-months and implement a monthly customer surcharge in the amount of \$5.92 over this time period. In addition, PAWW requests to modify its WRMA fee set by Res. W-4683 for new service connections from \$333 to \$3,900 and to have the increased WRMA fee in place for five years or until PAWW's next GRC at which time the company would adjust the WRMA fee to reflect the actual expenditures.

NOTICE AND PROTEST

In accordance with GO 96-B, AL 70 was served on January 2, 2014, and a customer notice on the proposed rate increase was mailed to each customer and the general service list on June 20, 2014.⁴

No protests were received on PAWW's rate increase request.

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2. PAWW's WA 30892 was filed on June 1, 1999 for water rights to 150 AF and then modified to 50 AF when WA 25442 was filed. PAWW also requested from SWRCB that both water rights applications be processed concurrently.
 3. This amount includes \$1,139 in interest and a reduction of \$1,665 collected from the five new service connections during 2011 through 2013.
 4. PAWW provided a customer notice of its AL filing after being advised by Division Staff that it had not fully complied with the customer noticing requirements set-forth by GO 96-B, General Rule 4.2 for ALs requesting higher rates or charges not previously authorized by the Commission.

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DISCUSSION

As of December 31, 2013 PAWW has incurred \$79,181 in environmental and consulting expenses for its water rights applications, and it attributes \$53,383 or 68% of these costs to WA 25442 and \$25,278 or 32% to WA 30892 (Table 1 in this resolution provides the breakdown of these costs). Furthermore, the company anticipates expending an additional \$68,000 to complete the environmental review and the required site specific studies to evaluate the impacts on the Garcia River of diverting the 100 AF or 150 AF annually from the river.⁵ These costs would be allocated evenly between the two water rights applications. This resolution only addresses PAWW's request for the amortization of the \$53,383 from company's WRMA and does not address the reasonableness of \$25,278 incurred for WA 30892 or any future costs associated with the company's water rights applications.

The criteria used by the Commission for amortization of memorandum accounts require the utility to demonstrate the following: 1) the costs recorded in the memorandum account are not covered by other authorized rates; 2) the utility acted prudently when it incurred these costs; 3) the utility paid reasonable amounts for these costs; and 4) it is appropriate for ratepayers to pay for these costs in addition to otherwise authorized rates.⁶

The Division reviewed PAWW's water right expenses and supporting documentation of the expenses recorded in its WRMA and confirmed that the expenditures are for the company's water rights applications WA 25442 and WA 30892 incurred during 2007 through 2013. Division also reviewed expenses authorized in PAWW's last GRC and confirmed that water rights expenditures were not included in the company's authorized water rates.

The Division finds that PAWW is acting prudently in incurring the expenses associated with WA 25442. Division confirmed with the staff from the SWRCB that the Initial Study and site-specific studies are required by the SWRCB to process the company's water rights requests. Division therefore finds that PAWW is acting prudently in

5. PAWW's environmental consultant, Wagner & Bonsignore, estimates that \$19,000 will be required to complete the Initial Study for the project, including the biological and cultural resources report and \$49,000 to resolve a Department of Fish and Wildlife protest, Wagner & Bonsignore December 18, 2012 letter to Mr. Bill Hay from Point Arena (a copy of the letter is included in Appendix C).

6. This criterion was used Commission Res. W-4962 and Res. W-4928.

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seeking to extend its water rights to the 100 AF since this will benefit PAWW's customers by securing an adequate source of water supply over the next 33 years.

Based on Division's review of the invoices for PAWW's consulting and environmental work associated with WA 25442, Division finds the consulting amounts charged (i.e., hourly rates) are consistent with what other environmental consulting firms charge utilities. Division therefore finds that PAWW paid reasonable amounts for the services provided. However based on the Division's review of the invoices charge to WA 25442, Division found several instances where PAWW allocated all of the consulting costs to WA 25442 when the costs should have been divided between both water rights applications since the environmental studies and consulting work are required for both applications as one project. For example, the October 6, 2007 invoice in the amount of \$5,845 for consulting work related to the company's response to Res. W-4660 and environmental work that was submitted to SWRCB was for both applications, but the costs were allocated only to WA 25442. Based on the Division's review of the invoices for WA 25442, \$43,514 should be allocated to WA 25442 and the remainder of \$10,389 should be allocated to WA 30892. Table 1 below provides a breakdown of PAWW's allocation of costs to WA 25442 and WA 30892 and Division's adjusted allocation amounts for both applications.

TABLE 1

	Point Arena Water Works		Division Adjusted	
	WA 25442	WA 30892	WA 25442	WA 30892
<u>James C. Hanson:</u> Consulting Civil Engineer. Consulting work performed from 2007- 2009	\$29,251	\$10,590	\$24,318	\$15,522
<u>Wagner & Bonsignore:</u> Consulting Civil Engineers, A Corporation. Consulting work performed from 2009-2013	\$18,889	\$9,057	\$13,442	\$14,504
<u>Analytical Environmental Services (AES):</u> Consulting performed from 2007-2009	\$3,421	\$3,317	\$3,421	\$3,317
<u>Regulatory Consultant:</u> Regulatory consulting work from 2008-2013	\$2,276	\$2,276	\$2,276	\$2,276
<u>Miscellaneous Expenses:</u> postage, mailing, printing, information requests to DFG	\$66	\$37	\$57	\$47
TOTAL:	\$ 53,903	\$ 25,278	\$ 43,514	\$35,667

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The Division agrees that PAWW's existing customers should pay for the water rights expenses associated with the company's WA 25442 that are necessary for right to the 100 AF as these will benefit PAWW's existing customers by securing an adequate source of water supply to meet their current and future water needs. However, since PAWW has Commission authority to assess a WRMA fee for new service connections to recover the costs associated with its water rights applications, Division recommends that WRMA fees be used to offset the costs associated with WA 25442, until this cost is fully paid. This is discussed in more detail in the WRMA Fee section of this resolution.

Based on Division review of PAWW's expenditures associated with WA 25442, the company has met its burden for amortizing \$43,514 from its WRMA. Accordingly, Division recommends that PAWW be granted authority to implement a WRMA customer surcharge in the amount of \$4.82 over a 48-month period to recover the amortized amount.

WRMA Fee

Res. W-4683 authorized a WRMA fee of \$333 per new service connection based on an anticipated 150 new service connections to cover the costs for both water rights applications. However, since the WRMA fee was established only five new service connections have been added and the company anticipates an additional five new service connections during the next 5 years. Based on PAWW's estimated five new service connections and the \$25,557 in costs for WA 30892, PAWW requests by AL 70 to increase the WRMA from \$333 to \$3,900. PAWW's proposed WRMA fee would be the same amount regardless of the size of the connection meter. Such a proposed flat fee structure does not reasonably consider that the purpose of the fee is to obtain water rights, and therefore the fee structure should recognize the purpose. Accordingly, the Division proposes that the fee structure increase according to the size of the meter since larger meters accommodate greater quantities of water. Therefore, Division recommends that the WRMA fee amounts be set in the same manner facilities fees are currently set to account for the added capacity/demand the new service imposes on the water system. In this case, a customer with a large meter size would require a higher allocation amount of water and therefore should pay a higher share of the costs associated with the company's water rights applications.

While Division supports an adjustment to the WRMA fee, as previously discussed money collected from WRMA fees should first be used to pay those water rights expenditures for WA 25442 since the costs for obtaining continuing rights for the 100 AF

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are the highest priority for PAWW and its existing customers. The costs associated with the additional rights to 50 AF should be paid by new customers' connections after the expenditures are paid for WA 25442.

In addition to WRMA fee new customers requesting connection to PAWW's water system must also pay a facilities fee which pays for additional facilities required to connect to the system. PAWW's current facilities fees under tariff schedule F start at \$2,000 for a 5/8 x 3/4-inch meter size and increase to \$100,000 for a 6-inch meter size connection. In recommending a WRMA fee structure, Division considered these facilities fees and their impact on new customers. In addition, the number of new connections is an issue in determining a reasonable WRMA fee structure. In Res. W-4683, PAWW initially estimated that there would be 150 new connections including 50 for one developer.⁷ However AL 70 now estimates that there will only be five new connections in the next five years. This dramatic reduction in the estimated number of new connections appears to be a reason that PAWW proposes to increase its WRMA fee beginning at \$3,900.

However, the Division is concerned that the proposed extreme increase in the fee from \$333 to \$3,900 may have the contrary effect on the potential for new customers. Consequently, potentially new customers will not connect to the system, and this will negatively affect existing customers. As an alternative, the Division recommends that the WRMA fee structure begin at a more reasonable amount of \$2,500, and increase according to meter size ratios as shown in Table 2 below.⁸

TABLE 2
Recommended WRMA Fees by Meter Size

Metered Size	WRMA Fee
For 5/8 x 3/4-inch	\$2,500
For 3/4-inch	\$3,750
For 1-inch	\$6,250
For 1 1/2-inch	\$12,500
For 2-inch	\$20,000
For 3-inch	\$37,500
For 4-inch	\$62,500
For 6-inch	\$62,500

7. See, Res. W-4683, p. 2-3.

8. The recommended WRAM fee for the 4- and 6-inch size meters are the same because Division used a meter ratio of 25 for both meter sizes based on the company's previously adopted rate design.

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In addition, Division recommends that all WRMA fees collected by PAWW from new customers connected after the effective date of this resolution should be credited to the costs of WA 25442 as recorded in the WRMA. When the balance of revenues from the WRMA surcharge on existing customers adopted in this resolution plus all WRMA fees exceeds the costs of WA 25442 then PAWW should file a Tier 2 AL to terminate the surcharge. Additional WRMA fees which are credited to the WRMA after the costs of WA 25442 have been recovered should be recorded in the WRMA for Commission disposition.

COMPLIANCE

The utility has been filing annual reports as required and has no outstanding water quality violations.

COMMENTS

Public Utilities Code Section 311(g)(1) provides that resolutions generally must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

Accordingly, this proposed resolution was mailed to the utility and its service list, and made available for public comment on December 12, 2014. No comments were received.

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FINDINGS

1. By Advice Letter (AL) 70 filed on January 3, 2014, Point Arena Water Works, Inc. (PAWW) is requesting Commission authority to implement a surcharge in the amount of \$5.92 over a 48-month period to amortize \$53,383 from its Water Right Memorandum Account (WRMA) for expenditures incurred during 2007 through 2013 for its Petition for Extension of Time (PET) under Water Application (WA) 25442 with the State Water Resource Control Board (SWRCB).
2. PAWW's WRMA was approved by Res. W-4660 to allow the company to record its expenses associated water rights applications WA 25442 and WA 30892 with the SWRCB.
3. By WA 25442 PAWW is requesting authority from SWRCB to extend its existing water rights to divert 100 AF annually from the Garcia River for an additional 33 years, and under WA 30892 PAWW is requesting additional water rights to 50 AF for a total of 150 AF.
4. As of December 31, 2013 PAWW has incurred \$79,181 in consulting expenses for its water rights applications of which the company attributes \$53,383 or 68% of the costs to WA 25442 and \$25,278 or 32% to WA 30892.
5. This resolution only addresses PAWW's request for the amortization of the \$53,383 from company's WRMA and does not address the reasonableness of \$25,278 incurred for WA 30892 or any future costs associated with the company's water rights applications.
6. In accordance with GO 96-B, AL 70 was served on January 2, 2014, and a customer notice on of the proposed rate increase was mailed to each customer and general service list on June 20, 2014.
7. No comments or protests were received on PAWW's AL 70 rate increase request.
8. The criterion used by the Commission for amortization of memorandum account balances requires a utility to demonstrate that: 1) the costs recorded in memorandum account are not covered by other authorized rates; 2) the utility acted prudently when it incurred these costs; 3) the utility paid reasonable amounts for these costs; and 4) it is appropriate for ratepayers to pay for these costs in addition to otherwise authorized rates.
9. PAWW has met the criteria for amortization of \$43,514 from its WRMA for the expenditures associated with WA 25442 with the SWRCB. The \$10,389 of the

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\$53,383 of the expenditures associated with the company's water rights applications should be allocated to WA 30892.

10. Authority should be granted to PAWW to implement a monthly customer surcharge in the amount of \$4.82 over a 48-month period to amortize the \$43,514 from its WRMA.
11. PAWW's WRMA should remain open for the company to continue to record expenses associated with WA 25442 and WA 30892 for future Commission disposition.
12. By AL 70, PAWW is also requesting Commission authority to modify the WRMA fee set by Res. W-4683, from \$333 to \$3,900 based on an anticipated five new service connection over the next five years and the \$25,557 in costs incurred for WA 30892.
13. Res. W-4683 set a WRMA fee of \$333 based on anticipated 150 connections and an estimated cost of \$50,000 for both water rights applications.
14. Since the WRMA fee was established PAWW has only added five new service connections, a significant reduction from the anticipated number of service connections.
15. PAWW's proposed flat fee structure for the WRMA fee does not reasonably consider the purpose of the fee which is to obtain water rights.
16. Division proposes that the WRMA fee structure increase according to the meter size of the service connection to account for the higher allocation of water required by larger meter services.
17. In addition to WRMA fee new customers requesting connection to PAWW's water system must also pay a facilities fee which start at \$2,000 for a 5/8 x 3/4-inch meter size and increase to \$100,000 for a 6-inch meter size connection under PAWW's tariff schedule F.
18. In recommending a WRMA fee structure, Division considered the facilities fees that customers must also pay and their impact on new customers.
19. Division is concerned that the proposed extreme increase in the fee from \$333 to \$3,900, an increase of more than 1,000%, will have a contrary effect on the potential for new customers.
20. Division recommends as an alternative that WRMA begin at a more reasonable amount of \$2,500, and increase according to meter size ratio as shown in Table 2 of this resolution.

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21. Division's recommended WRMA fees by meter size, included in Appendix A of this resolution should be adopted.
22. Monies collected from WRMA fees, after the effective date of this resolution, should be credited to the costs of WA 25442 as recorded in PAWW's WRMA, and when the balance of the revenues collected through WRMA surcharge and WRMA fees authorized by this resolution exceed the costs of WA 25442, PAWW should file a Tier 2 AL to terminate the WRMA surcharge.
23. WRMA fees credited to the WRMA after the costs of WA 25442 have been recovered should continue to be recorded in the WRMA for Commission disposition.
24. PAWW should be allowed to file a Supplemental Advice Letter within 30 days from the effective date of this resolution to add WRMA customer surcharge and Schedule No. WR in Appendix A of this resolution to its tariffs.

THEREFORE IT IS ORDERED THAT:

1. Point Arena Water Works, Inc. is authorized to file a Supplemental Advice Letter within 30 days from the effective date of this Resolution to add to its tariffs: 1) the customer surcharge, specified in Appendix B of this Resolution, in the amount of \$4.82, to be collected over a period of 48-months, to amortize \$43,514 from the Water Rights Memorandum Account for the water rights expenses incurred during 2007 through 2013 for Water Application 25442 with the State Water Resources Control Board; and 2) Schedule No. WR in Appendix A of this Resolution, containing the revised Water Rights Memorandum Account Fees to its tariffs. The Supplemental Advice Letter shall become effective upon approval by the Division of Water and Audits.
2. Water Rights Memorandum Account fees collected by Point Arena Water Works, Inc., after the effective date of this Resolution, should be credited to the costs of Water Applications 25442 as recorded in the Water Rights Memorandum Account. When the balance of revenues from the WRMA surcharge on existing customers adopted in this resolution plus all WRMA fees exceeds the costs of WA 25442 PAWW should file a Tier 2 Advice Letter to terminate the surcharge.

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3. Point Arena Water Works, Inc. Water Rights Memorandum Account shall remain open for the company to track the expenditures associated with Water Applications 25442 and 30892 and Water Rights Memorandum Account fees collected by the company for Commission disposition.

This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 15, 2015; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director

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APPENDIX A

POINT ARENA WATER WORKS SCHEDULE NO. WR WATER RIGHTS MEMORANDUM ACCOUNT FEES

APPLICABILITY

Applicable to all customers requesting water service for premises not previously connected to the Utility's water distribution system.

TERRITORY

The City of Point Arena and vicinity and Whiskey Shoals Subdivision Unit Nos. 1, 2, & 3, Mendocino County.

WRMA FEES

		<u>Per Meter Per Month</u>	
Service Charge:			
For	5/8 x 3/4-inch meter	\$ 2,500	(I)
For	3/4-inch meter	\$ 3,750	
For	1-inch meter	\$ 6,250	
For	1- 1/2-inch meter	\$ 12,500	
For	2-inch meter	\$ 20,000	
For	3-inch meter	\$ 37,500	
For	4-inch meter	\$ 62,500	
For	6-inch meter	\$ 62,500	(I)

SPECIAL CONDITIONS

1. The Water Rights Memorandum Account (WRMA) Fees will be charged at the time customers apply for water service.
2. The WRMA Fees will be charge in addition to other applicable charges per the utility's Tariff Rules and Schedules.
3. All WRMA Fees should be booked in the utility's WRMA for future Commission disposition.
4. WRMA Fees made under this schedule are not subject to the reimbursement fee set-forth in the utility's Schedule UF.

END OF APPENDIX A

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APPENDIX B

POINT ARENA WATER WORKS

SCHEDULE NO. 1

GENERAL METERED SERVICE

(Continued)

7. As authorized by the California Public Utilities Commission, all bills are subject (N) to a one-time surcharge of \$43,514 to be collected at the rate of \$4.82 per customer per month over a period of 48 months from the effective date of Advice Letter 70-A. This surcharge is for amortization of expenses accrued in the Water Rights Memorandum Account for the period 2007-2013 for Water Application 25442 with the State Water Resources Control Board.

END OF APPENDIX B

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APPENDIX C

Copy of December 18, 2012 Letter from Wagner & Bonsingonre
Engineering Consulting Firm to Point Arena Water Works

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Wagner & Bonsignore

Consulting Civil Engineers, A Corporation

Nicholas F. Bonsignore, P.E.
Robert C. Wagner, P.E.
Paula J. Whealen
Henry S. Matsunaga

Brad E. Newton, Ph.D., P.G.
David Houston, P.E.
David P. Lounsbury, P.E.
Vincent Maples, P.E.
Emily MacDonald
Ryan E. Stoffus

James C. Hanson
Consulting Civil Engineer
A Corporation

December 18, 2012

Mr. Bill Hay
Point Arena Water Works
P.O. Box 205
PT. Arena, CA 95468

Re: Permit 17016 (Application 25442) and Application 30892 by Point Arena Water Works

Dear Bill,

The purpose of this letter is to transmit a summary of upcoming costs which we estimate will be required to continue processing the Petition for Extension of Time filed pursuant to Permit 17016 (Application 25442) and Application 30892. The estimate includes anticipated expenses related to environmental review and site specific studies to determine the impact of the project on the Garcia River flow. Previous expenses were associated with preparation of the water availability analyses required by the State Water Resources Control Board (Board) for the above referenced water rights. These analyses have been reviewed and accepted by the Board, and we are now working toward preparation of the environmental document and resolution of the Department of Fish and Game (DFG) protest.

The attached budget estimate proposes an overall expenditure of \$68,000 to continue with the protest resolution process and complete the environmental review. Cost of the environmental review was initially estimated at \$19,000. To date, \$6,000 has been spent on preparation of a report establishing baseline conditions, and it is estimated that \$19,000 will be required to complete the Initial Study, including a biological and cultural resources report. The remaining \$49,000 requested is estimated for continued work on resolving the DFG protest.

DFG has proposed five protest dismissal terms, one of which requests a site specific study on the Garcia River to determine the impact of the additional diversion requested under Application 30892 during low flow periods. As part of the protest resolution process, we were directed by Board staff to prepare parameters for the requested site specific study. The proposed study parameters were submitted to DFG and National Marine Fisheries Service (NMFS) for review and comment on July 28, 2009. An environmental scientist at DFG has responded to our proposal, requesting an increase in scope. We have not yet received comments from the DFG geologist or NMFS hydrologist, but expect to within the coming months.

2151 River Plaza Drive • Suite 100 • Sacramento, CA 95833-4133
Ph: 916-441-5850 or 916-448-2821 • Fax: 916-779-3120

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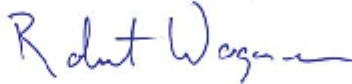
Bill Hay
December 18, 2012
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Accordingly, we will wait for notification that additional funding is available before proceeding with future work on your behalf.

Please call if you have any questions.

Very truly yours,

WAGNER & BONSIGNORE
CONSULTING CIVIL ENGINEERS



Robert Wagner, P.E.

G:\HAY, BILL - 461\Water Rights\Application\Application 25442 (Old Application)\461-0123-Ltr to Accompany 2013 Budget (HAYE.062).docx

Wagner & Bonsignore
Consulting Civil Engineers, A Corporation

END OF APPENDIX C

CERTIFICATE OF SERVICE

I certify that I have by either electronic mail or postal mail, this day, served a true copy of Proposed Resolution No. W-5011 on all parties in these filings or their attorneys as shown on the attached lists.

Dated December 12, 2014, at San Francisco, California.

/s/DANIEL SONG

Daniel Song

Parties should notify the Division of Water and Audits, Fourth Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

POINT ARENA WATER WORKS

ADVICE LETTER NO. 70

SERVICE LIST

Willam Hay Jr., President
Point Arena Water Works
P.O. Box 205
Point Arena, CA 95468

City of Point Arena
P.O. Box 67
Point Arena, CA 95468

North Gualala Water Co.
P.O. Box 1000
Gualala, CA 95445

The Sea Ranch Association
P.O. Box 16
Sea Ranch, CA 95497

Joe Rouse
Independent Coastal Observer
P.O.Box 1200
Gualala, CA 95445